

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 29, 2000 LB 1107

a dollar. Now if you had this bill in place at 47 or 48 percent, for example, that levy drop and that transfer of state aid to local schools would be...would be in place. This bill has provision that the levy limit for schools would not go above a dollar. If you had a higher number than 45 percent, say 47 or 48, what you would do, as I understand the bill, is keep that dollar levy in place, possibly for a couple of years, until you got to a situation where values...valuations had increased to the point that would spur an additional transfer because of a lower local effort rate. I think the important thing this bill contributes is to make that percentage explicit. The way it is now, it's quite...it has been quite possible for the property tax support of school systems to sort of gradually creep up unnoticed, at least unnoticed explicitly in statute. This would simply put a percentage in place that says we don't want to allow that to go above a certain number. What I am...am toying with, I guess I would say, is the notion that you should be fairly cautious about that. It is clear that the lower you make that percentage the bigger the fiscal impact and, according to what Senator Wickersham has said, if you put it at 45 percent there's about a \$13 million fiscal impact, and I assume that for each percent you drop it, it would be roughly 13 or 15 million dollars or something like that. So I think that there's several good principles offered here. I think it's a good...the bill has an important contribution to make. I wonder about the exact number should be in it and I would mention once again that I would feel more comfortable if we made the minimum levy penalty one cent below the local effort rate rather than five cents below. I think that would be an addition too. But in both cases, we're at least making the parameters, if you will, explicit so that we know what we're dealing with and this Legislature or later ones could address them and change them, if that was desired. Thank you.

SPEAKER KRISTENSEN: Senator Raikes, that was your third on this amendment. (Visitors introduced.) Senator Janssen.

SENATOR JANSSEN: Thank you, Mr. Speaker, members of the Legislature. Senator Wickersham, I'm going to make a few statements and then I'd like to have you respond to them. The way I understand the formula, if any time you have a valuation increase in a county your ability to pay is increased by the